



January 31, 2006

California Environmental Protection Agency
1001 I Street, P.O. Box 2815
Sacramento, CA 95812-2815

RE: SDREO Comments on Climate Action Team Report to Governor and Legislature

1 Introduction

The San Diego Regional Energy Office (SDREO) appreciates the opportunity to comment on the Climate Action Team (CAT) Report to the Governor and Legislature ("Report") regarding Greenhouse Gas (GHG) emission reduction goals. We take this opportunity to address the following specific topics:

- Mandatory Climate Change Emissions Reporting
- Binational Collaboration-Border Energy Programs
- Public Goods Charge Recommendations

2 Mandatory Climate Change Emissions Reporting

SDREO agrees with the need for mandatory emissions reporting as the critical first step in any GHG reduction program. But it is time for California to take the second step and require reductions in those reported emissions to ensure we meet the governor's GHG goals as stated in his Executive Order.

SDREO believes that the California Climate Action Registry (CCAR) can serve as that clearinghouse for emissions tracking and reduction efforts. Utilizing an independent tool such as the CCAR will not only provide independent data on California emitters, but can also provide a baseline from which to gauge reduction efforts.

SDREO agrees with the recommendation that the mandatory reporting begin with the state's largest GHG emitters in order to successfully kick-off the program with large scale emissions reductions. Simultaneously, we would appreciate a review by the CAT or a designated organization of the barriers to smaller organizations taking the first step and joining the CCAR. We believe there are numerous organizations that would like to show their support for the state's climate program, but are apprehensive about their ability to effectively participate due to financial or staff limitations. For instance, SDREO was interested in joining the CCAR in 2004, but was unable to make the commitment due to a lack of staff resources to carry out the assessment, and a lack of uncommitted funds to pay for independent certification.

In addition to mandatory reporting, SDREO believes it is important to collaborate with other states in development of any emissions reduction program so that we can build from shared experiences and assemble the most cohesive program possible. We would hope that the federal government could then look to California, the Northeast states, and others for guidance in develop of a national GHG reduction program. Coordination with programs around the nation can also prevent business "leakage", as mentioned in the Report.

Implementing a program like the CCAR, where one of the goals is to work with other states on reporting standards, can lead to more effective caps and outcomes of individual states' efforts.
